

3.11 Socioeconomics

Population has been growing in Klamath County at less than 1 percent per year over the last decade, which was approximately one-half of the state's growth rate. Communities within a 30-minute drive are Bonanza, Klamath Falls, and Malin, with populations of 415, 19,462, and 638, respectively. In early 2002, the unemployment rate in Klamath County was approximately 13 percent, primarily because of declines in the construction and mining sectors. In 2000, housing vacancy rates were around 3 percent for owner-occupied housing and 9 percent for rental housing.

Construction of the Energy Facility over a 23-month period would require an average of 352 workers and a peak of 543 workers. Operation of the Facility would require approximately 30 workers. Given the current unemployment rate, the majority of workers during construction and operation would likely be hired from the local community. If workers were needed from outside the area, sufficient housing opportunities would be available for them. There would be no significant unavoidable adverse impact.

The information presented in this section is based on the studies and analysis conducted for the SCA as amended by Amendments No. 1 and No. 2, filed with EFSC on July 25, 2003, and October 15, 2003, respectively.

3.11.1 Affected Environment

A relatively large area around the proposed Energy Facility and supporting facilities was identified as the project area to assess potential socioeconomic impacts. The project area encompasses portions of Klamath County, Modoc County, and Siskiyou County, and includes the communities of Bonanza, Klamath Falls, Merrill, Malin, Dorris, and Tulelake.

3.11.1.1 Population

In 2000, the Klamath County population was 63,755. The population of the four project area communities in Klamath County was 415 in Bonanza, 19,462 in Klamath Falls, 897 in Merrill, and 638 in Malin. The Modoc County population was 9,449 in 2000. Siskiyou County's population was 44,301 in 2000, and its two communities, Dorris and Tulelake, had populations of 886 and 1,020, respectively. The population of Klamath County is growing slowly, increasing less than 1 percent annually over the last decade.

3.11.1.2 Employment

Unemployment rates in the project area are high compared to the state and the nation, as shown in Tables 3.11-1 and 3.11-2. Klamath County had a 13.2 percent unemployment rate in February 2002, according to the Oregon Labor Market Information Service (OLMIS), affiliated with the Oregon Employment Department (OED). In 2000, there were 650 fewer nonmanufacturing jobs in the County than in 1999 (OED, 2002a). Most of the decrease in nonmanufacturing employment is attributed to layoffs in the construction and mining sectors (OED, 2002a). Table 3.11-3 shows that the average payroll per worker in Klamath and Lake counties is 25 percent lower than the state average and 32 percent lower than the national average.

3.11.1.3 Housing

According to 2002 census figures, Klamath County has 28,883 housing units, Modoc County has 4,807 units, and Siskiyou County has 21,947 units (Census, 2002a). There are no incorporated cities or towns in the portion of Modoc County that is in the project area. Dorris and Tulelake, in Siskiyou County, have 396 and 459 housing units, respectively. Table 3-11.1 shows that most of the population and housing opportunities in the project area are in Klamath County, primarily in Klamath Falls. The population of Klamath Falls, including the unincorporated communities of Lorella and Dairy, is 19,462, representing 31 percent of the County's population. There are 8,722 housing units, representing more than 30 percent of the housing in the County. This compares to Merrill, Malin, and Bonanza, which have 1.3, 0.8, and 0.5 percent of the housing units in Klamath County, respectively (Census, 2002a, 2002b).

In Klamath Falls, vacancy rates are 3.5 percent for owner-occupied housing units and 9 percent for rental units. There is some variation in vacancy rates among the cities in the project area depicted in Table 3.11-1, but the vacancy rates throughout Klamath County — 3 percent for owner-occupied housing units and 8.5 percent for rental units — are similar to the rates in Klamath Falls.

Temporary housing alternatives (motels, hotels, and recreational vehicle [RV] parks) also exist in the project area. Accurate counts were not readily available for selected portions of the project area in northern Siskiyou County and Modoc County in California. At least 1,617 units are available for overnight accommodation throughout Klamath County. A total of 1,231 of those units are located in the project area. An additional 122 units plus two lodges (Crystalwood and Horseshoe Ranch) are located just beyond the 30-mile radius of the project area. RV park facilities are less common near the center of the project area, and none are listed in Klamath Falls. The 17 facilities listed as offering RV accommodation are located predominantly at the outer edge of, or beyond, the project area (Nuebert, 2002).

3.11.2 Environmental Consequences and Mitigation Measures

Construction of the Energy Facility would take place over a 23-month period, and would employ an average of 352 workers. If local labor was not available, the maximum monthly influx of laborers would be 543 (assuming construction labor comes from outside), representing a Klamath County population gain of 0.88 percent. Local residents would be hired to fill as many of the 30 permanent, full-time Facility operations positions as practicable.

As described below, the Energy Facility would have no significant unavoidable adverse impacts on population, employment, and housing.

Impact 3.11.1. Project would result in a limited short-term and long-term population increase.

Assessment of Impact. Limited in-migration is expected to occur as a result of construction of the proposed project. The decrease in nonfarm payroll in Klamath County, which has been led by loss of 650 jobs in the construction and mining sectors from 1999 to 2000 (OED, 2002b), is expected to provide an opportunity to hire local construction workers. Local hiring would decrease any potential short-term increases and any potential short-term

impacts related to temporary construction workforce demands. Nonetheless, workers would still be recruited from the regional labor pool and some would be attracted from outside the region. Construction workers that would relocate to the area for development of the proposed Energy Facility would not be likely to bring their families, because most construction workers would remain in the area for a short duration.

Local residents would be hired to fill as many of the 30 full-time, permanent operations positions as practicable. The unemployment rate in Klamath, Modoc, and Siskiyou counties (see Table 3.11-1) would make local hires possible, as would the competitive wages that would be offered for operations positions at the proposed Energy Facility. Because new employees hired to operate the Energy Facility would be, for the most part, existing residents of local communities, the project would result in minimal direct population increases.

Recommended Mitigation Measures. None are recommended.

Impact 3.11.2. Project would result in an increase in short-term and long-term employment opportunities in the area.

Assessment of Impact. As noted previously, construction of the proposed Energy Facility would result in the peak employment of 543 workers and an average employment of 352 workers. The jobs provided by construction of the proposed Energy Facility would help offset (on a temporary basis) the decrease in nonfarm payroll in Klamath County experienced within the last few years.

Operation of the proposed Energy Facility would also provide up to 30 permanent jobs. Like construction employment, many of these positions would likely be filled by local residents. Given the 8.2 percent unemployment rate reported for the region in 2000 (Table 3.11-2), the jobs provided by the Energy Facility would be beneficial to project area communities.

Recommended Mitigation Measures. None are recommended.

Impact 3.11.3. Proposed Energy Facility would have a short-term impact on housing.

Assessment of Impact. Construction labor needs would increase demand for housing. However, local hiring would decrease potential short-term impacts related to temporary construction workforce demands. The location of the Facility outside cities and communities, and at similar commuting distances to Klamath Falls, Merrill, and Malin, would also minimize potential impacts. The concentration of permanent and temporary alternate housing options in Klamath Falls would likely draw the majority of short-term residents to that city. The vacancy rates for Klamath Falls indicate that 360 rental housing units were available in 2000. In addition, Klamath County provides 1,617 units of overnight accommodation (hotel/motel rooms) plus two large lodges. At least 17 of these facilities also accommodate recreational vehicles. Most of these temporary housing alternatives are located within the project area.

Some housing opportunities might also exist in the unincorporated communities of Lorella and Dairy, where Klamath County records indicate vacancies for some homes. To the extent that residential opportunities were available, some construction laborers would probably opt to locate in one of these communities. No known temporary housing options such as hotels or recreational vehicle parks were identified in either community. Some additional

rental and overnight accommodations might be available in Siskiyou and Modoc counties in northern California, but the sparse population in these areas and the distance to the Facility site make it unlikely that demand for these accommodations would be high.

Based on the above information, the influx of construction workers throughout the construction period would be noticeable, but would not create a substantial burden on available housing in the project area or in Klamath County.

Vacancy rates for rental and owner-occupied housing in the project area indicate that a sufficient number of housing units would be available for permanent employees at the Energy Facility. If local hiring was not possible, the addition of 30 jobs would create only a minimal impact in an area seeking to stabilize its population and workforce and planning to sustain existing levels of service. Any new residents relocating to the area for these positions would have a choice of communities offering various levels of service within commuting distance. Any potential impacts would be distributed across project area communities.

Recommended Mitigation Measures. None are recommended.

3.11.3 Cumulative Impacts

The proposed Energy Facility would employ 30 people, many of whom would be hired from local communities. There would be cumulative impacts. However, given the limited number of new residents to the project area, residential vacancy rates, and an unemployment rate higher than the state or national rate, cumulative impacts on housing and employment would likely be minor. The value of the property and project would add significantly to the local tax base. This increase would be partly offset by closure of past industrial facilities, but nonetheless would add to positive cumulative impacts of increasing and diversifying the local tax base. Potential impacts to public services resulting from population increase are discussed in Section 3.12.

TABLE 3.11-1
Housing Units, Unemployment Rates, and Vacancy Rates in Project Area

Jurisdiction	Average Annual Payroll	Unemployment Rate	Population	Housing Units	Rent	Own	Vacancy Rate (%)
Klamath County	\$29,548 (1998)	13.2% (Feb. 2002)	63,755	28,883	8,067	17,138	3.0 Owned 8.5 Rental
Bonanza			415	152	41	98	3.9 Owned 2.4 Rental
Klamath Falls			19,462	8,722	4,010	3,906	3.5 Owned 9.0 Rental
Merrill			897	380	116	228	3.0 Owned 9.4 Rental
Malin			638	217	78	122	3.2 Owned 6.0 Rental
Modoc County	\$29,128 (Mean wage 2001)	8.3% (March 2000)	9,449	4,807	1,109	2,675	5.1 Owned 9.3 Rental
Siskiyou County	\$29,128 (Mean wage 2001)	9.5% (March 2000)	44,301	21,947	6,084	12,472	3.0 Owned 9.2 Rental
Dorris			886	396	105	237	4.0 Owned 11.0 Rental
Tulelake			1,020	459	157	201	5.6 Owned 18.2 Rental

Sources: Oregon Employment Department, 2002b; Census, 2002a; Census, 2002b, Oregon Economic and Community Development Department, 2002a; California Employment Development Department, 2002

Note: Unless otherwise noted, data are for the year 2000.

TABLE 3-11.2
Estimated Annual Average Labor Force for 2000

	Region	Oregon	U.S.
Civilian Labor Force	32,400	1,802,900	140,863,000
Employed	29,740	1,715,400	135,208,000
Unemployed	2,660	87,500	5,655,000
Unemployment Rate	8.2%	4.9%	4.0%

Source: Oregon Economic and Community Development Department, 2002a

Note: The region referred to includes Klamath and Lake counties.

TABLE 3-11.3
Average Annual Covered Payroll Per Worker, by Industry Division, 1999

Industry	Region	Oregon	U.S.
Agriculture, Forestry, and Fishing	\$17,345	\$19,221	\$19,405
Construction and Mining	\$26,252	\$36,070	\$36,345
Manufacturing	\$29,928	\$41,223	\$41,917
Transportation, Communication, and Utilities	\$34,311	\$38,115	\$41,144
Wholesale Trade	\$26,880	\$42,522	\$44,144
Retail Trade	\$15,659	\$18,319	\$17,592
Finance, Insurance, and Real Estate	\$24,987	\$37,789	\$50,865
Services	\$21,289	\$27,275	\$31,491
Total Private Sector	\$22,767	\$30,452	\$33,220

Source: Oregon Economic and Community Development Department, 2002a

Note: The region referred to includes Klamath and Lake counties.